

## ABSTRACT OF THE DISCLOSURE

A method of preparing an image for efficient wavelet transform compression includes the steps of separating the image into foreground and background image layers, and a mask layer. A smoothing filter is

5 applied to interpolate irrelevant pixel values in the foreground and background layers for coder efficiency. The irrelevant pixel values are interpolated as a function of relevant pixels and causal irrelevant pixels within the smoothing filter window.